

June 20, 2012



Book Shop of Fort Collins, Inc.

dba: Old Firehouse Books

John Read  
Chief, Litigation III Section  
Antitrust Division  
U.S. Department of Justice  
450 5th Street, NW, Suite 4000  
Washington, DC 20530

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JUN 27 REC'D 2012

LITIGATION III, ANTITRUST DIV.  
U.S. DEPT. OF JUSTICE

Dear Mr. Read;

I'm writing you about the Department of Justice's **wrong headed** suit against publishers policy which is called "agency pricing" If you succeed in eliminating agency pricing you will be dealing a serious setback to competition in the book industry especially for **independent bookstores**. Agency pricing was instituted by several (not all) publishers to level the playing field for **independent bookstores**. This **increased competition** which is shown by the decrease of Amazon's monopoly after agency pricing was introduced. It is also consistent with the evidence from other countries whose limits on discounting result in much more competition. Encouraging one monopolistic company which is known to engage in predatory pricing is a very **misguided and counterproductive** method of encouraging competition.

As an **independent bookstore** we compete more on service than on price. If Amazon is encouraged to continue their predatory pricing by selling below our cost, we could not compete at all. **Independent bookstores** such as ours are not faring well in the current poor economy. If your action succeeds the result will be the elimination of many more **independent bookstores** from competition.

Furthermore, it's difficult for me to understand how you concluded that there as collusion in the industry to set prices. If you took the time to examine the book lists of the publishers in the suit you would see that similar books are priced differently among the publishers. Also, Random House, perhaps the largest publisher, is not included in the suit. This scuttles the idea of industry wide collusion.

In summary – If your **wrongheaded** suit against publishers succeeds, the result will be a serious **decrease** in competition and the encouragement of Amazon's attempt to take over the whole industry. You should be investigating Amazon's predatory pricing.

Sincerely,

Dr. Richard A. Sommerfeld  
Owner, Treasurer

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